

COLLEGE COSTS RISE AS AID LAGS

Now is Not the Time for More Cuts to Education

The College Board released its 2005 “Trends in Student Aid” and “Trends in College Pricing” reports. These reports show it’s getting harder for families to pay for college:

- Tuition and fees at four-year public colleges have climbed \$1,725 or 46 percent since 2001, driven upward by a weak economy and state budget cuts.
- The total cost of college (tuition, fees, room and board) at four-year public colleges has climbed \$3,095 or 34 percent since 2001.
- Yet, the maximum Pell Grant has increased only \$300 or 8 percent since 2001, and it has been frozen at \$4,050 since 2003.
- As a result, the portion of public college expenses paid by the maximum Pell Grant dropped from 42 percent in 2001 to 36 percent in 2004 and to a record low of 33 percent in 2005.

Further cuts to Education will only make a bad situation worse.

- Although students at four-year public colleges are paying \$3,095 more, the President proposes to offset just 3 percent of the cost growth by increasing the maximum Pell Grant only \$100 in 2006.
- Even worse, in the LHHS Appropriations bill, House Republicans plan to slash the proposed \$100 Pell Grant increase in half to only \$50, leaving a \$3,045 gap for students to pay. If Republicans enact across-the-board budget cuts, that gap will grow even larger.
- Republicans are also preparing to eliminate other student aid programs including Perkins Loans for low- and moderate-income families and LEAP grants.
- The Republican reconciliation plan slashes \$9 billion from student loans, the same reconciliation plan that pays for \$21 billion of capital gains and dividend tax cuts - two tax cuts that provide little benefit to middle class families, but are a windfall for the wealthiest Americans.

PORTION OF FOUR-YEAR PUBLIC COLLEGE COSTS PAID BY THE PELL GRANT

